

Elements of the Marketplace



Essential Health Benefits in the Marketplace

Essential Health Benefits are a set of health care service categories that must be covered by certain plans, starting in 2014. The ten categories include:

Ambulatory Care Services	Mental Health & Substance Abuse Services
Emergency Care Services	Pediatric Services
Hospitalization	Prescription Drugs
Lab Services	Rehabilitative & Habilitative Services
Maternity & Newborn Care	Wellness & Disease Management

Notes:

- Beginning in 2014 there can no longer be annual dollar limits on Essential Health Benefits.
- There can still be limits on services that are not Essential Health Benefits.
- Charges for Essential Benefits apply toward the policy maximum out-of-pocket amount for individual/family, small group and large group plans in 2014.

Metal Tier Plans in the Marketplace

The tiers are based on "Actuarial Value" (AV), which compares how much a person is expected to spend on medical services every year and how much of the cost is actually paid by the health plan and by the person.

Metal Tier	Monthly Premium	Out of Pocket Expenses
Platinum (90%)	\$\$\$\$\$	\$
Gold (80%)	\$\$\$\$	\$\$
Silver (70%)	\$\$\$	\$\$\$
Bronze (60%)	\$\$	\$\$\$\$
Catastrophic Plan	\$	\$\$\$\$\$

Notes:

- A Platinum Plan covers 90% of expected costs; Gold 80%; Silver 70%; Bronze 60%.
- All Individual & Small Group Plans in & outside the Marketplace must fall into AV Metal Tiers
- Insurance companies must offer at least one silver plan and one gold plan
- Most metal tier plans will have deductibles and may have office visit co-pays.
- Office visit co-pays, Prescription (Rx), and Emergency Room (ER) co-pays apply toward a combined policy maximum out-of-pocket limit.
- Premiums might be less for lower tier plans, but with increased out-of-pocket limits.

Maximum Cost Share in the Marketplace

Deductible Maximums	Maximum out-of-pocket
\$2,000 Single	\$6,350 Single
\$4,000 Family	\$12,700 Family

*The deductible ceiling does not apply to Individual Plans, yet maximum out-of-pocket is limited to \$6350 for single coverage, so in essence, the maximum Individual Plan deductible is \$6350.

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Subsidies in the Marketplace



Advanced Premium Tax Credit (APTC) & Premium Payments

- A federal subsidy to help individuals pay health insurance premiums.
- Individuals may purchase any level metal tier through the Marketplace to be eligible for APTC.
- Family members cannot apply separately to qualify for a subsidy. They must file as a family.
- If the employer only contributes toward the cost of single coverage, but not family coverage, family members will not get a subsidy if they are **eligible** to enroll on the employer's plan, and the employer plan is **affordable**.
- Individuals must be between 100% and 400% of the Federal Poverty level (FPL). That translates to annual household incomes of approximately:
 - \$11,000 to \$44,000 single; \$23,000 to \$92,000 family of four
- Those eligible may choose how to use the credits:
 - Take the full APTC as an advance payment to the insurance company.
 - Take part of the APTC & claim the balance as a credit when filing taxes.
 - Take none of the APTC & claim the whole amount as a credit when filing taxes.
- The amount of the APTC is based on the percentage of income a person is expected to contribute for health insurance coverage compared against the premiums for the second lowest cost silver plan option. (Premium – Personal Share = APTC)
- Advance premium payments are sent directly to the insurance company by the federal government and the individual will get billed for the rest of the premium cost each month.
- There is a **3 month grace period** for premium payment.
- Coverage is terminated on enrollees who exhaust the grace period without making full payment.
- If terminated, coverage is retroactively terminated to the last day of the first month of the grace period.
- The insurance company must return APTC to the government for the 2nd & 3rd months.
- The insurance company must notify any health care providers that have submitted bills about the lapse in premium payments and termination of coverage.

Cost Sharing Reductions (CSR)

- Federal assistance for individuals below 250% of FPL that will lower:
 - Co-pays
 - Deductibles
 - Co-insurance
 - Maximum out-of-pocket
- Individuals must purchase a silver tier plan through the Marketplace to be eligible for CSR.
- CSR's do not include reductions in premiums, billing for out-of-network providers or services not covered by the plan.
- Individuals can qualify for both APTC & CSR

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